Exhibit B August 23, 2010

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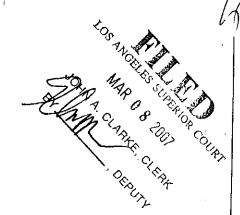
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FEB 13 2007
SUF WEST DISTRICT
SANTA MONICA



IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES – WEST DISTRICT

SANTA MONICA MOUNTAINS CONSERVANCY; MOUNTAINS RECREATION AND CONSERVATION AUTHORITY,

Plaintiffs,

CITY OF MALIBU,

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Defendant.

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20 AND RELATED CROSS-ACTION.

CASE NO. SC092212

STIPULATION FOR ENTRY OF PRELIMINARY INJUNCTION, STAY OF LITIGATION AND CONTINUANCE OF INITIAL STATUS CONFERENCE; [PROPOSED] PRELIMINARY INJUNCTION, STAY OF LITIGATION AND ORDER CONTINUING INITIAL STATUS CONFERENCE

Action Filed: December 22, 2006 Trial: None Set

(Hon. John L. Segal, Dept. M)

STIPULATION

WHEREAS, plaintiff and cross-defendant Santa Monica Mountains Conservancy, a California State agency formed and existing pursuant to the Santa Monica Mountains Conservancy Act ("SMMC"), plaintiff and cross-defendant Mountains Recreation and Conservation Authority, a joint powers authority created pursuant to the Joint Exercise of Power Act ("MRCA"), (collectively, "plaintiffs") and defendant and cross-complainant City of Malibu, a California municipal corporation ("City"), have met and discussed a

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process that may lead to a resolution of the matters raised in this case without further litigation, and have entered into a Memorandum of Understanding dated January 23, 2007 ("MOU") setting forth their agreement, a true and correct copy of which is attached hereto as Exhibit A and incorporated herein;

WHEREAS, that process requires a series of duly noticed public hearings that are anticipated to occur in the next six to twelve months;

WHEREAS, while these administrative procedures are pending, the parties wish to stay this action in its entirety ("Pending Action") and preserve the status quo as provided in this Stipulation for Entry of Preliminary Injunction and Stay of Litigation;

WHEREAS, the parties agree that, during the pendency of the preliminary injunction and stay of litigation sought to be entered through this Stipulation ("Preliminary Injunction and Stay"), plaintiffs' ongoing activities identified below will be treated as if they are in compliance with the City's Local Coastal Plan ("LCP"), the California Coastal Act (Public Resources Code section 30000, et seq.) ("Coastal Act"), and other City ordinances;

WHEREAS, the parties believe that the interests of justice will be advanced, and that good cause exists for entry of the Preliminary Injunction and Stay, as stipulated below:

WHEREAS, the parties have agreed, without waiving any of their respective rights and positions, including, without limitation, those each has asserted in the Pending Action, to stipulate to the entry of Preliminary Injunction and Stay, and have executed this Stipulation on the condition that these be approved by this Court;

WHEREFORE, the parties hereby stipulate, through their respective counsel of record, and respectfully request the Court to issue the Preliminary Injunction and Stay, as follows:

That the Pending Action be stayed pending final action on plaintiffs' 1. application for an amendment to the Malibu Local Coastal Program ("LCP") as set forth in the MOU, or until the MOU is terminated, whichever occurs first (the "Stay").

	¹ [Proposed] order	
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:	Upon the Stipulation of the parties, set forth above, and for good cause shown, I'	Τ
4	IS HEREBY ORDERED:	
:	1. This action is stayed in its entirety ("Pending Action") pending final actio	n
ć	on the application submitted by plaintiffs and cross-defendants (collectively, "plaintiffs"	")
7	to defendant and cross-complainant ("City") for an amendment to the Malibu Local	
8	Coastal Program ("LCP") as set forth in the Memorandum of Understanding attached as	3
9	Exhibit A hereto ("MOU"), or until the MOU is terminated, whichever occurs first.	
10	2. Plaintiffs are hereby enjoined and restrained during the pendency of the	
11	Pending Action from using the property located at 5750 Ramirez Canyon Road	
12	("Ramirez Canyon Park") other than for the following ongoing activities (and necessary	
13	associated activities) ("Agreed Activities"), which specifically do not include renting ou	t
14	Ramirez Canyon Park for private events and/or parties:	İ
15	A. Administrative and government offices for up to 15 employees.	
16	B. A residential caretaker and his family.	
17	C. Two special programs a week for disabled youth and/or for seniors.	
18	D. Occasional employee training programs.	
19	E. On-going property maintenance.	
20	3. The City is hereby enjoined and restrained during the pendency of the	
21	Pending Action from taking any enforcement action or proceeding against plaintiffs, or	
22	either of them, other than the Pending Action, on or with reference to the Agreed	
23	Activities, or any of them, whether under the LCP, Coastal Act or City ordinances.	
24	4. Notwithstanding the foregoing, any of the parties may seek to enforce this	
25	preliminary injunction in the manner provided by law.	
26	5. This preliminary injunction will be dissolved upon the occurrence of the	
27	earlier of any of the following events:	
28	A. The entry of final judgment in this Pending Action.	
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MEMORANDUM OF UNDERSTANDING AGREEMENT

This Memorandum of Understanding Agreement ("MOU") is entered into by and between the CITY OF MALIBU, a California municipal corporation (hereinafter "City"), on the one hand; and the Santa Monica Mountains Conservancy ("SMMC" or the "Conservancy"), a California state agency formed and existing pursuant to the Santa Monica Mountains Conservancy Act, codified as Public Resources Code section 33000 et seq, and the Mountains Recreation and Conservation Authority ("MRCA"), a joint powers authority created pursuant to the Joint Exercise of Power Act, codified as Government Code section 6500 et seq., and composed of the Conservancy and two local recreation and park districts, the Rancho Simi Recreation and Park District and Conejo Recreation and Park District, (collectively referred to as "SMMC/MRCA"), on the other hand. Together the City and the SMMC/MRCA are sometimes referred to herein as "the parties."

RECITALS

- A. In early 2006, the SMMC/MRCA began preparation of a comprehensive development plan for its properties in and around the City of Malibu and for property it does not presently own but wishes to acquire. The SMMC/MRCA titled the document the "Malibu Parks Public Access Enhancement Plan Public Works Plan" ("Public Works Plan"). The Public Works Plan is a comprehensive planning document purporting to regulate and govern future development on property within its "planning area."
- B. The City contends that the Public Works Plan constitutes a discretionary project within the meaning of Public Resources Code section 21080, subd. (a) and, therefore, is subject to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines. The SMMC/MRCA contends, inter alia, that the Public Works plan is reviewed in the same manner prescribed for the review of local coastal programs, and is exempt from CEQA under Public Resources Code section 30605 and the same provisions of CEQA and the CEQA guidelines that exempt LCP amendments from CEQA.
- C. The City further contends that the Public Works Plan is inconsistent with the Malibu LCP and therefore invalid and/or uncertifiable. The SMMC/MRCA contends, inter alia, that the Public Works Plan is consistent with the Malibu LCP, that the SMMC/MRCA is immune from local land use regulations and that no coastal development permit is required for any of it activities or proposed activities because they are each either within the legal ambit of the Public Works Plan or not development within the meaning of the Coastal Act.
- D. The SMMC/MRCA filed a lawsuit in the Los Angeles County Superior Court seeking declaratory relief regarding its contentions with respect to the use of the Ramirez Canyon Park That lawsuit is designated LACSC Case No. SC 92212. City has filed an answer and cross complaint in Case No. SC 92212. The City has also filed a petition for writ of mandate and complaint for declaratory relief against the SMMC/MRCA

challenging its noncompliance with CEQA and use the Public Works Plan for its proposed development. That lawsuit is designated LACSC Case No. BS 106878 Together these cases are referred to as the "Pending Litigation."

- E. The parties have met and discussed their differences. Each party has determined that it is in the best interest of all interested parties to attempt to resolve the differences through employing the provisions of the Coastal Act and the Malibu Local Coastal Program which provide for amendment to the Malibu LCP. The parties further agree that they will enter into and participate in the LCP amendment process in good faith; however, both parties wish to preserve their legal rights and positions and participate without prejudice to those respective rights and positions.
- F. The parties recognize that the LCP amendment process may take many months to complete and will require, inter alia, duly noticed public hearings before the Malibu Planning Commission, the Malibu City Council and the California Coastal Commission. In order to address in the interim certain of the pressing issues that will be addressed by the LCP amendment, the parties agree, without waiving any of their respective rights and positions, including, without limitation, those asserted in the Pending Litigation, that the City and SMMC/MRCA will stipulate to a preliminary injunction ("Preliminary Injunction") which will, pending the conclusion of the procedures contemplated herein, maintain the status quo with respect to the use of Ramirez Park and will otherwise limit the use of the Ramirez Park facility while the LCP amendment process is on-going, and which will stay the proceedings in the Pending Litigation and the City's enforcement against SMMC/MRCA of its LCP and the Coastal Act.
- G. This MOU sets forth the terms and conditions and mutual understanding of the parties relative to the foregoing.

NOW, THEREFORE, in consideration of the foregoing and of the promises and covenants set forth herein, and without waiving any of their respective rights and positions, including, without limitation, those asserted in the Pending Litigation, the parties agree as follows:

- 1. <u>Obligations of the SMMC/MRCA</u>. The SMMC/MRCA shall be responsible for the following:
 - 1.1 Within two weeks of the execution of this MOU, or as soon thereafter as the SMMC can make its quorum, the SMMC shall hold a public hearing to consider rescission of Resolution No. 06-91 adopted November 29, 2006, and any other action it took to approve the Public Works Plan and MRCA shall hold a public hearing to consider rescission of Resolution No. 06-174 and any other action it took to approve the Public Works Plan. If the Conservancy or the MRCA fails to rescind the Resolutions, this

- agreement shall be null and void without the necessity of any further action by either party.
- 1.2 Within ninety (90) days of the execution of this MOU the SMMC/MRCA shall submit to the City a complete application for an amendment to the Malibu LCP, which shall be in the nature of a comprehensive, specific, area or public works plan, and which shall include the substantive proposals for planning and development that the SMMC/MRCA wishes to propose.
- 1.3 The SMMC/MRCA shall amend its Public Works Plan to submit as an LCP amendment with at least the following changes:
 - 1.3.1 Overnight camping in Escondido shall be eliminated if camping is included at Charmlee Wilderness Park;
 - 1.3.2 Overnight camping (in a program run by the SMMC/MRCA) shall be proposed in Charmlee Wilderness Park;
 - 1.3.3 An expansion of the City's shuttle service (currently connecting the Headlands with Zuma beach) shall be proposed to include Charmlee Nature Preserve, Corral Canyon Park as well as the Point Dume Headlands and Zuma Beach. This proposal may include the use of the City's Prop A funds as appropriate and needed, which funds the City will cooperate in making available to SMMC/MRCA.
- 2. Obligations of the City. The City shall be responsible for the following:
 - 2.1 The City shall in good faith make staff from its Planning and Parks & Recreation departments available for pre-application review. The purpose of this obligation is to assure that the SMMC/MRCA's application is complete and avoid unnecessary delays in processing the SMMC/MRCA's LCP amendment application;
 - 2.2 The City shall accept for processing a complete LCP amendment application and shall hold the necessary public hearings and reach a final determination within 180 days receipt of a complete application. The parties agree that a complete

application for the LCP amendment contemplated by this MOU consists of the required processing fee and the following:

- 2.2.1 Summary of Public Notice and Participation;
- 2.2.2 Policies, plans, standards, objectives, diagrams, drawings, maps, photographs contained in the current PWP as adopted;
- 2.2.3 Supplementary data (special studies) contained in the current PWP as adopted related to biology, traffic, geology, creek restoration, accessibility, fire protection and emergency evacuation, as revised to reflect project changes;
- 2.2.4 Public access component of the LCPA, included in chapter 3 of the current PWP as adopted:
- 2.2.5 Planning Area Map, showing the location of the properties included in the plan, the location of all highways, streets and alleys, public easements or Offers to dedicate Public Easements and all lots and parcels of land within a distance of five hundred feet from the exterior boundaries of the property involved included as figures in the current PWP as adopted and as revised to reflect project changes;
- 2.2.6 Summary of amendment's relationship to and effect on other sections of the certified LCP and analysis that demonstrates conformity with the requirements of Chapter 6 of the Coastal Act;
- 2.2.7 Zoning measures/implementation that will be used to carry out the amendment to the land use plan, included as Implementation measures of the current PWP as adopted.
- 2.3 In light of the stipulated preliminary injunction constraining the use of Ramirez Canyon Park as referred to in (paragraph 3.2 below) and the agreement to apply for an LCP amendment (as referred to in paragraph 1.2 above), which, if approved and certified, will resolve any possible inconsistencies with the Malibu LCP or Municipal Code, aside from the cross-complaint and its defense in LACSC case No. SC092212 the City will not

take enforcement action against the SMMC/MRCA, including, without limitation, under the LCP or Coastal Act, during the term of this MOU, except that any of the parties may seek, as necessary, to enforce the Preliminary Injunction.

- 3. <u>Joint Obligations</u>. The City and the SMMC/MRCA also agree as follows:
 - 3.1 The parties agree to stay the Pending Litigation until final action is taken on the LCP amendment and to cooperate with one another in obtaining the Preliminary Injunction and a stay of the Pending Litigation from the court. The intention of this obligation is to minimize costs associated with the Pending Litigation and avoid the parties' use of resources prosecuting or defending the Pending Litigation.
 - 3.2 The parties agree to stipulate to a preliminary injunction enjoining the SMMC/MRCA's use of Ramirez Canyon Park and further enjoining the City as set forth in the proposed Preliminary Injunction attached hereto as Exhibit A in the form attached hereto as Exhibit A.
 - 3.3 The parties shall cooperate to secure changes, if any required, to the deed restrictions for Charmlee Wilderness Park in order to allow overnight camping in the park.
 - 3.4 The parties agree to defend, and cooperate with one another to defend, any challenge to this MOU, the attached Preliminary Injunction, and the LCP Amendment approved by the City.
 - 3.5 The parties further agree that if any court enjoins, restrains or otherwise prohibits the SMMC/MRCA from conducting the ongoing activities described in the Preliminary Injunction attached hereto as Exhibit A, the SMMC/MRCA can elect to terminate this MOU effective immediately upon giving notice to the City under the notice provisions set forth at Paragraph 6, below, and each party shall bear its own attorneys fees and costs incurred in connection with this MOU and the attached Preliminary Injunction.
- 4. Not an Impairment of the Police Powers. Nothing in this agreement is meant to nor shall be construed to constrain or impair the City's police powers impermissibly in connection with any decision it shall make in connection with the proposed LCP amendment or any other matters

- 5. <u>Dismissal or Resumption of Pending Litigation</u>.
 - 5.1 If the City Council approves an LCP amendment acceptable to the SMMC/MRCA and the Coastal Commission thereafter certifies that LCP amendment as approved by the City or suggests modifications acceptable to both the City and the SMMC/MRCA, in their sole, independent and respective discretion, the parties shall dismiss the Pending Litigation within two weeks after the issuance by the City of a CDP which applies to Ramirez Canyon Park consistent with and pursuant to the certified LCP amendment. The dismissal shall be without prejudice and all parties shall bear their own costs and attorneys fees. In the event the City dismisses its petition for writ of mandate and complaint for declaratory relief in Case No. BS 106878 following the rescission by the SMMC and MRCA of the resolutions and actions taken to approve the Public Works Plan, as provided in paragraph 1.1 above, the parties agree that each shall bear its own costs and attorneys fees in that action.
 - 5.2 If the City Council fails to approve an LCP amendment acceptable to the SMMC/MRCA or the Coastal Commission fails to certify the LCP amendment approved by the City Council or the Coastal Commission insists on modifications unacceptable to either the SMMC/MRCA or the City, the MOU is terminated and the parties may resume the Pending Litigation and neither party shall use this MOU or any actions taken to implement it as evidence or a defense in the Pending Litigation (except with respect to any claims of laches, waiver, estoppel or the expiration of a statute of limitation that has not expired as of the date this MOU is executed).
- 6. Notices. All notices of matters under this MOU shall be given in writing by first class mail, personal delivery or facsimile. Mailed notices shall be addressed or transmitted as set forth below, but either party may change its address or facsimile number by giving written notice thereof to the other parties in accordance with the provisions of this paragraph:

CITY:

City of Malibu ATTN: City Manager 23815 Stuart Ranch Road Malibu, CA 90265

FAX (310) 456-2760

SMMC/MRCA:

Mountains Recreation & Conservation Authority ATTN: Joseph T. Edmiston Executive Officer 570 West Avenue 26, Suite 100 Los Angeles, California 90065 FAX (323) 221-9934

With copy to:

Paul, Hastings, Janofsky and Walker, LLP ATTN: Robert I. McMurry, Esq. 515 S. Flower Street, 25th Floor Los Angeles, California 90071

Santa Monica Mountains Conservancy ATTN: Joseph T. Edmiston, Executive Director 5750 Ramirez Canyon Road Malibu, California 90265 FAX (310) 589-3207

With copy to:

Richards, Watson and Gershon ATTN: Steven H. Kaufmann, Esq. 355 South Grand Avenue, 40th Floor Los Angeles, California 90071 FAX (213) 626-0078

- Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this MOU. Any action, suit or proceeding related to or arising from this MOU shall be filed in the Los Angeles County Superior Court.
- 8. Term. This MOU shall commence upon execution by the parties and shall remain in effect until all obligations hereunder have been performed. A failure to perform any material obligation of this MOU constitutes a material breach. In the event of a material breach of this MOU, the non-breaching party shall give written notice to the other party, pursuant to Paragraph 6 above, specifying the purported material breach. The parties agree to meet and confer within seven calendar days of such written notice in an effort to cure the breach. If the parties are unable to reach agreement

within that seven-day period, the parties agree to mediation before the Hon. Steven J. Stone (Ret.) ("Mediator") at the offices of JAMS and the non-breaching party shall contact the Mediator for that purpose within fourteen calendar days of written notice of the breach. If Justice Stone is not available to act as Mediator the parties agree to use best efforts to mutually agree upon the selection of another JAMS mediator. If the parties are unable to reach agreement within fourteen calendar days of being notified that Justice Stone is not available to act as the Mediator, then, within the next seven calendar days, SMMC/MRCA shall choose a JAMS mediator and the City shall choose a JAMS mediator for the purpose of having those two mediators choose a third JAMS mediator, and the three mediators shall conduct the mediation. The MRCA/SMMC on the one hand and the City on the other agree to share the costs of mediation equally. The parties agree that the Mediator's decision shall be binding upon all parties.

- 9. <u>No Third Party Beneficiaries</u>. This MOU is made and entered into for the sole benefit of the parties hereto. No other person shall have any right of action based upon any provision of this MOU.
- 10. <u>Joint Preparation</u>. This MOU shall be deemed to have been prepared jointly and equally by the parties, and none of its terms shall be construed against any party on the ground that the party prepared the MOU or caused it to be prepared.
- 11. Entire Agreement. This MOU constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, both written and oral. This MOU may not be modified or amended except in a writing signed by all parties hereto.
- Authority to Execute. The persons executing this MOU on behalf of each of the parties warrant and represent that they have the authority to execute this MOU on behalf of the party for whom they execute and have the authority to bind the party to the obligations hereunder.
- 13. <u>Counterparts</u>. This MOU may be executed in any number of counterparts, each of which shall be considered to be an original agreement and all of which together shall be considered to be but one enforceable agreement.

IN WITNESS WHEREOF, the parties have executed this MOU as of the dates set forth below.

MOUNTAINS RECREATION
CONSERVATION AUTHORITY

By: Michael D. Berger
Dated: January 31, 2007

CITY OF MALIBU
By: Wayor

Dated: January 23, 2007

ATTEST:

**Ji Ju My
City Clerk*

SANTA MONICA MOUNTAINS
CONSERVANCY

By: Elysth A Cheadle, Clair
Dated: January 1, 2007

Revuery

SANTA MONICA MOUNTAINS
CONSERVANCY

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PROOF OF SERVICE

I, Kelley Herrington, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Richards, Watson & Gershon, 355 South Grand, 40th Floor, Los Angeles, California. On February 9, 2007, I served the within documents:

STIPULATION FOR ENTRY OF PRELIMINARY INJUNCTION, STAY F LITIGATION AND CONTINUANCE OF INITIAL STATUS CONFERENCE; [PROPOSED] PRELIMINARY INJUNCTION, STAY OF LITIGATION AND ORDER CONTINUING INITIAL STATUS CONFERENCE

- by causing facsimile transmission of the document(s) listed above from (213) 626-8484 to the person(s) and facsimile number(s) set forth below on this date before 5:00 P.M. This transmission was reported as complete and without error. A copy of the transmission report(s), which was properly issued by the transmitting facsimile machine, is attached. Service by facsimile has been made pursuant to a prior written agreement between the parties.
- [X] by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California, addressed as set forth below. I am readily familiar with the firm's practice for collection and processing correspondence for mailing with the United States Postal Service. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing contained in this affidavit.
- by placing the document(s) listed above in a sealed envelope and affixing a prepaid air bill, and causing the envelope to be delivered to a agent for delivery, or deposited in a box or other facility regularly maintained by, in an envelope or package designated by the express service carrier, with delivery fees paid or provided for, addressed to the person(s) at the address(es) set forth below.
- by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
- [] by causing personal delivery by First Legal Support Services, 1511 West Beverly Boulevard, Los Angeles, California 90026 of the document(s) listed above to the person(s) at the address(es) set forth below.

See Attached Service List

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on February 9, 2007.

KELLEY HERRINGTON

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INIX RICHARDS | WATSON | GERSHON NEW ATTORNEYS AT LAW - A PROFESSIONAL CORPORATION

SERVICE LIST

Christi Hogin Jenkins & Hogin, LLP 1230 Rosecrans Avenue, Suite 110 Manhattan Beach, California 90266

Robert I. McMurry A. Catherine Norian

Paul, Hastings, Janofsky & Walker, LLP 515 South Flower Street, 25th Floor Los Angeles, California 90071